

1 build this station, how did that come up?

2 A Well, without really reading through, that would
3 have come up in the context of is this a worthwhile
4 investment? You'd have to know what your cost is in order to
5 know whether it's a worthwhile investment.

6 Q Did you also -- strike that. Do you have an
7 understanding that if you obtain a station through the
8 Commission's comparative hearing process, that there's a
9 period of time before you can sell it?

10 A Oh, yes. This has nothing to do with my intention
11 -- with any intention to sell it. I don't -- I don't intend
12 to sell it.

13 Q You're talking in terms of station value. Did you
14 discuss with Mr. Gill what it might cost to operate the
15 station for this minimum holding period?

16 MR. THOMPSON: Do you mean beyond three months?

17 MR. MILLER: Yeah.

18 MR. THOMPSON: I object. It's irrelevant.

19 JUDGE FRYSIK: Beyond what?

20 MR. THOMPSON: Well, what happened is that Mr.
21 Miller is asking the question, "Did you discuss with Mr. Gill
22 how much it might cost to run the station for the entire one
23 year that you would have to hold it?" and I'm saying that's
24 irrelevant. The only issue here is a financial issue for
25 three months.

1 MR. MILLER: The witness is relying -- has sought to
2 rely on Mr. Gill's estimate of construction cost as a basis
3 for determining value of station and in order to test the
4 reasonableness of that approach, I want to know whether she
5 also discussed with him what kind of operating capital she
6 might have to put in during this at least one-year of
7 operation.

8 MR. THOMPSON: Your Honor, that's totally irrele-
9 vant. I mean, it may be of interest to Mr. Miller, but the
10 only issue here today is did she have a discussion with him
11 about cost? Yes, she did. He told her that a station could
12 be put on the air for 100,000. They talked, by the way, about
13 a lot of other things that are totally irrelevant to this
14 recross.

15 JUDGE FRYSIK: I agree. Sustained.

16 BY MR. MILLER:

17 Q You mentioned, Ms. Selznick, that Mr. Gill's wife
18 had built a station in California.

19 A That's what he told me.

20 Q Did he say what it cost her to put the station on
21 the air?

22 A He may have, but I don't recall.

23 Q Did he say when she put the station on the air?

24 A I have a vague recollection that it was within the
25 past, say five years. It was fairly recently, but not

1 immediately recently.

2 Q But you have no recollection of whether he said he
3 based his \$100,000 estimate that you discussed earlier on his
4 wife's experience?

5 A Mr. Gill -- how to put this politely -- Mr. Gill
6 likes to talk a lot and likes to expand on his experience and
7 he's one of these people who, when you get on the phone with
8 him, he's always telling you about how much experience he has.
9 I guess the direct answer to that question would be yes, in
10 part, he would have relied on his experience with his wife's
11 experience. But from what he told me, he had a tremendous
12 amount of experience.

13 Q Did he tell you he had personal experience in
14 putting other stations on the air?

15 A I think he did tell me that.

16 Q Now, you were also shown some notes of a
17 conversation you had with Brett Miller by your counsel. I'd
18 like to have those placed before the witness again.

19 A They should be up here.

20 MR. THOMPSON: I think you have an extra copy of the
21 document.

22 WITNESS: That's the 7/29/93 notes?

23 MR. MILLER: Yes.

24 BY MR. MILLER:

25 Q Now, as I recall, when you were reading the note,

1 | there was something along the lines of if you put the station
2 | on the air for 100,000, you could have a profit of about
3 | 100,000. Was that a fair characterization? Because I'm just
4 | reading from my notes here.

5 | A Not quite. It's close. And now I'm able to read
6 | what's here. Let me read the sentence again. It says, "If
7 | get on air for less than 100,000, profit amount to --" I'm
8 | still not reading it right. It's something like that.
9 | "Profit amount of couple hundred thousand. If do well, 500 to
10 | 1,000,000."

11 | The question that I was asking these people was what
12 | if I get on the air and I just do an awful job and nothing
13 | goes right and my cash flow is awful and nothing goes as I
14 | anticipated, what would it be worth? And then, if I do a
15 | reasonable job and I don't take over the market, but I do a
16 | reasonable job, what would the station be worth? That's
17 | basically what I was asking these people and this is what he
18 | was telling me. He was telling me if I got it on the air for
19 | less than 100,000, I could expect a profit of a couple hundred
20 | thousand and if I did well, if I did great job -- not a great
21 | job. If I did well, I could expect 500 to a million.

22 | Q So is he, in effect, saying that the value of the
23 | station as a going concern, his estimate would be about
24 | 300,000 minimum? Is that the hundred thousand to get on plus
25 | the 200,000 profit?

1 A That's right. At a minimum.

2 Q Did you, at any time, share that information with
3 Mr. Dailey?

4 A Yeah, I think I did. I'm pretty certain I did tell
5 him. Joe -- Mr. Dailey was the one who had suggested I make
6 these telephone calls and no, I didn't read him my notes and I
7 didn't send him all my notes and I believe what I told him --
8 and I've got a bunch of different figures from people. But
9 what I told him was, "Well, I've heard anywhere from X to Y,"
10 you could expect the station to be worth, and I certainly
11 included Brett Miller's figures in what I told Joe.

12 Q But this -- so the minimum you would've told Mr.
13 Dailey would be about 300,000. Is that right?

14 A I don't know. I think somebody else might've said
15 250.

16 Q Now, did you have any of these conversations about
17 the likely value of the station prior to the summer -- any of
18 these conversations with Mr. Daily in which you discussed the
19 potential value of the station prior to this past summer?

20 MR. THOMPSON: I think that's beyond the scope of
21 cross, Your Honor.

22 JUDGE FRYSIK: Right. There were no conversations
23 with Mr. Dailey as far as Mr. Thompson's cross examination --
24 or redirect.

25 MR. MILLER: One more area.

1 BY MR. MILLER:

2 Q Mr. Thompson asked you questions about the employees
3 of the station and how you would cover the period.

4 A Yes.

5 Q You indicated that the part-timers would work the
6 overnight period of time. Is that right?

7 A Right.

8 Q Would that be something like 10 p.m. to 6 a.m.?

9 A Ten to 5, I was thinking.

10 Q That would be seven days a week?

11 A Well, it would work out to seven days a week. But
12 probably on one day a week, you would have each of them doing
13 a double or, you know, something like that.

14 Q Ten to 5 is 7 hours at a time.

15 A Right.

16 Q So that's 49 hours for the week, right?

17 A Right.

18 Q And you anticipated fifty hours of part-time
19 employees.

20 A Right.

21 Q Who was going to be at the station over the
22 weekends?

23 A Well, that's partly the part-timers.

24 Q The part-time would be over the 10 to 5 -- 10 p.m.
25 to 5 a.m.

1 A Right.

2 Q And I'm talking about Saturday and Sunday after 5
3 a.m.

4 A Now, I certainly haven't written this in stone, but
5 you know, during the break, I did work out a schedule that
6 would work. I've got -- on Saturday, I've got the newsperson
7 on from 5 to 10 a.m., the receptionist from 9 to 5, and myself
8 from 5 to 10. And then on Sunday, I have myself from 5 to 2,
9 the salesperson from 2 to 6, and then the newsperson from 6 to
10 10.

11 Q And the receptionist would also be there 9 to 5,
12 Monday through Friday?

13 A Right. Well -- no, probably not. Probably what
14 would happen is the salesperson would cover one of those days.

15 Q I thought you had testified in response to one of my
16 questions that the salesperson would have no duties with
17 respect to the actual operation of the station.

18 A Did I say that? I don't remember saying that.

19 Q So the salesperson would actually be responsible to
20 be physically at the station for 4 hours on Sunday and one
21 weekday from 9 to 5. Is that what you're saying?

22 A I'm saying that that's one way of working this out.
23 I'm certainly not marrying myself to a schedule like this.

24 Q Well, is it possible that -- strike that. Isn't it
25 likely that you would have to hire more employees than you

1 | accounted for in the budget of Appendix C?

2 | A No, I don't think so. I mean, I think what would
3 | happen is if I found -- if I found a slack of an hour or two
4 | here or there, I would fill them myself.

5 | Q What do you have during the week between 5 p.m. and
6 | 10 p.m. when the part-timer comes in?

7 | A I had myself from 6 to 10.

8 | Q Five days a week?

9 | A Uh-huh. Yes.

10 | Q And in addition to being at the station from 9 to 5,
11 | five days a week?

12 | A I don't promise I'm going to get there at 9:00.

13 | Q Well, what period of time do you anticipate
14 | personally being at the station?

15 | A I anticipate -- especially the first three months, I
16 | anticipate almost living there and this is something that I'm
17 | very used to in my present job. If I had the schedule I'd
18 | laid out for myself now, I would consider it almost a vacation
19 | from what I currently do at the law firm and I'd be doing
20 | something I like.

21 | Q Let me just -- so that I can be sure I have --
22 | you've indicated that, at least for the first three months,
23 | you would personally be at the studio operating the station
24 | Monday through Friday from 6 to 10 in the evening.

25 | A Right.

1 Q Saturdays from 5 to 10 in the evening.

2 A Right.

3 Q Sundays from 5 a.m. to 2 p.m.

4 A Right.

5 Q And as well as Monday through Friday, 9 or somewhat
6 after 9 until 5?

7 A I said I don't know what time I would arrive.
8 Sometime during business hours obviously.

9 JUDGE FRYSIK: Now, we're talking about the first
10 three months.

11 WITNESS: Right.

12 JUDGE FRYSIK: We're not talking about the rest of
13 your life, are we?

14 WITNESS: No, no. No, I've certainly had three-
15 month schedules that looked a lot worse than this.

16 MR. MILLER: That concludes my recross, Your Honor.

17 JUDGE FRYSIK: Thank you, Mr. Miller. Anything
18 further?

19 MR. THOMPSON: Your Honor, I'd like to address, off
20 the record and then go back on the record, how we're going to
21 proceed in this case because of the Bechtel decision.

22 JUDGE FRYSIK: All right. Let me, first of all,
23 close the record on the issues that we've addressed.

24 MR. THOMPSON: I think to be fair to Mr. Miller,
25 obviously he gets the right -- the hearing record closes and

1 he has the right to file an opposition to our Petition for
2 Leave to Amend, our recent one pursuant to your extension
3 order which you've rendered. But otherwise, the hearing
4 record itself closes.

5 JUDGE FRYSIK: Right. So at this point, we'll go
6 off the record to discuss the future.

7 (Whereupon, at 3:52 p.m. on Wednesday, January 12,
8 1994, the hearing adjourned.)

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IN RE APPLICATIONS OF EL RIO, CALIFORNIA

Name

MM DOCKET NO. 93-87

Docket No.

WASHINGTON, D.C.

Place

JANUARY 12, 1994

Date

We, the undersigned, do hereby certify that the foregoing pages, numbers 25 through 158, inclusive, are the true, accurate and complete transcript prepared from the reporting by MARYKAE FLEISHMAN in attendance at the above identified proceeding, in accordance with applicable provisions of the current Federal Communications Commission's professional verbatim reporting and transcription Statement of Work and have verified the accuracy of the transcript by (1) comparing the typewritten transcript against the reporting or recording accomplished at the proceeding and (2) comparing the final proofed typewritten transcript against the reporting or recording accomplished at the proceeding.

January 21, 1994

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